

# Army Acquisition Reform Newsletter



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Army Acquisition Reform Web Site: <http://acqnet.sarda.army.mil/acqref/default.htm>  
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## MLRS M270A1 Contract Includes Acquisition Reform Initiatives

The Multiple Launch Rocket System (MLRS) M270A1 Alpha-Contracting Team successfully negotiated and awarded the Low Rate Initial Production (LRIP) III Contract, in addition to Not-to-Exceed Options for LRIP IV and Full-Scale Production Years 1, 2, and 3. The total contract value is \$2.4 Billion.

The MLRS M270A1 launcher incorporates a variety of enhancements to the M270 launcher including a new Improved Fire Control System (IFCS) and Improved Launcher Mechanical System (ILMS). The state-of-the-art enhancements will eventually be incorporated into the entire US inventory of launchers, which exceeds 900.

Several Acquisition Reform Initiatives were incorporated into this contract to include:

- a. A formal partnering agreement between the MLRS Program Management Office and Lockheed Martin Missile and Fire Control (LMMFC) Company.
- b. The paperless contracting objective was obtained.
- c. A Functional Integrated Process Team jointly developed the performance-based statement of work (SOW), thereby identifying and resolving issues at the lowest level early in the contracting process. The SOW included a special clause to handle future obsolescence on the M270A1 System.
- d. The concept of "modernization through spares technical insertion" became a reality in the contract. A waiver was obtained to authorize use of the contractor's internal procedures for tracking and monitoring of the spares. The contractor further agreed that if any block changes were made, the most current configuration would be delivered.
- e. A combination of firm-fixed price and cost-plus line items was used in the contract. The objective was to negotiate a contract type and price that would result in reasonable contractor risk, the greatest incentive for efficient and economical performance, and a fair profit.
- f. The contractor will use Red River Army Depot (Government Facility) as one of their subcontractors.

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